

Message Text

CONFIDENTIAL

PAGE 01 LONDON 03088 281244Z

44

ACTION EB-07

INFO OCT-01 ARA-06 EUR-12 EA-06 ISO-00 SSO-00 NSCE-00

USIE-00 INRE-00 SP-02 AID-05 NSC-05 CIEP-01 TRSE-00

SS-15 STR-01 OMB-01 CEA-01 CIAE-00 COME-00 FRB-03

INR-07 NSAE-00 XMB-02 OPIC-03 LAB-04 SIL-01 L-02 H-01

PA-01 PRS-01 IGA-01 /089 W

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O R 281230Z FEB 75

FM AMEMBASSY LONDON

TO SECSTATE WASHDC IMMEDIATE 8742

INFO AMEMBASSY PARIS IMMEDIATE

AMEMBASSY BERN

AMEMBASSY BONN

AMEMBASSY BRUSSELS

AMEMBASSY COPENHAGEN

AMEMBASSY MADRID

AMEMBASSY OTTAWA

AMEMBASSY SANTIAGO

AMEMBASSY STOCKHOLM

AMEMBASSY THE HAGUE

AMEMBASSY TOKYO

C O N F I D E N T I A L LONDON 03088

DEPARTMENT PASS TREASURY

E.O. 11652: XGDS-1

TAGS: EFIN, CI, UK

SUBJECT:CHILE DEBT RESCHEDULING

REF: A) STATE 24175; B) LONDON 3012; 3) PARIS 5115

BEGIN UNCLASSIFIED: 1. THE FOLLOWING IS THE TEXT OF
CHANCELLOR HEALEY'S STATEMENT TO THE HOUSE OF COMMONS CON-
CERNING THE U.K. POSITION ON CHILEAN DEBT RESCHEDULING:

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PAGE 02 LONDON 03088 281244Z

THE U.K. WILL NOT ATTEND THE FORTHCOMING MEETING OF

THE PARIS CLUB TO DISCUSS THE RESCHEDULING OF CHILEAN
DEBT FALLING DUE FOR PAYMENT IN 1975.

OUR ATTITUDE TO ANY FURTHER REQUESTS FOR RESCHEDULING-
AND WE HOPE THAT OF OUR FELLOW CREDITORS--WILL TAKE
INTO ACCOUNT CHILEAN POLICY ON HUMAN RIGHTS.

2. ACCORDING TO PRESS REPORT IN THE LONDON FINANCIAL
TIMES, FRIDAY, FEBRUARY 28, "CHILE IS COMMITTED TO PAYING
SOME 15 MILLION POUNDS THIS YEAR TO BRITAIN OUT OF A TOTAL
CHILEAN DEBT (TO THE U.K.) OF SOMETHING OVER 122 MILLION
POUNDS. CHILE'S TOTAL FOREIGN DEBT IS PUT AT AROUND 1250
MILLION POUNDS....THE PROSPECTS FOR ANY COHERENT OUTCOME
TO NEXT MONTH'S PARIS CLUB NEGOTIATIONS IS NOW VERY MUCH
IN DOUBT....BRITAIN'S INFLUENCE WILL NOW BE EXERCISED TO
TRY AND ENSURE THAT WEST GERMANY ANNOUNCES A SIMILAR POLI-
CY TO OUR OWN." END UNCLASSIFIED

3. BEGIN CONFIDENTIAL: DRAWING ON THE CONTENTS OF REF A,
EMBASSY PARAPHRASED U.S. POSITION IN CONVERSATION WITH
H.M. TREASURY OFFICIAL, POINTING OUT THAT PARIS CLUB
SHOULD CONCERN ITSELF PURELY WITH FINANCIAL AND OTHER RE-
LATED ECONOMIC CONSIDERATIONS, AND CITING DANGEROUS PRE-
CEDENT OF INTRODUCING POLITICAL ISSUES INTO DEBT RESCHEDU-
LING FORUM. IT IS OUR BELIEF THAT H.M. TREASURY STAFF
SHARE U.S. POSITION BUT HAVE BEEN OBVIOUSLY OVERRULED AT
HIGHEST POLITICAL LEVEL. H.M. TREASURY OFFICIAL STATED
H.M. TREASURY STAFF FULLY EXPECT CHILE TO DEFAULT ON OUT-
STANDING U.K. LOANS. THIS, IT WAS STATED, WILL COME AS A
BIG SURPRISE TO MANY PEOPLE (PRESUMABLY IN PARLIAMENT) WHO
"UNKNOWNLY ANTICIPATE THAT THE OUTCOME OF THE BRITISH
POSITION ON RESCHEDULING WILL BE PAYMENT IN FULL OF THE
EXISTING CHILE DEBT."

4. COMMENT: EMBASSY BELIEVES ANY U.S. ATTEMPT TO GET
U.K. TO CHANGE ITS POSITION WOULD NEED TO BE MADE AT
HIGHEST POLITICAL LEVEL, EITHER WITH THE CHANCELLOR, THE
FOREIGN SECRETARY, OR THE PRIME MINISTER. GIVEN THE CHAN-
CELLOR'S STATEMENT BEFORE PARLIAMENT OF A POSITION THAT IS
STRONGLY FAVORED BY THE LEFT WING OF THE LABOUR PARTY, WE
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PAGE 03 LONDON 03088 281244Z

DO NOT BELIEVE THE U.S. ATTEMPT WOULD HAVE ANY PROBABILITY
OF SUCCESS. END CONFIDENTIAL.

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Message Attributes

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